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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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**MAY 27 1999**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of: )  
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Communications Assistance for )  
Law Enforcement Act )  
 )  
Revenue Estimates of )  
Five Manufacturers )

CC Docket No. 97-213

**Reply Comments of MCI WorldCom, Inc.**

MCI WorldCom Inc, ("MCI WorldCom") files these reply comments in response to the comments on the Office of Engineering and Technology's Public Notice, Comments sought on CALEA Revenue Estimates of Five Manufacturers, DA 99-863 (OET May 7, 199) ("Public Notice").

MCI WorldCom believes the Public Notice and the comments filed by the telecommunications industry show the need for greater analysis of costs, much more information on and uniform use of underlying cost assumptions and the need for participation by all switch manufacturers. MCI WorldCom recognizes the difficult task the Federal Communications Commission ("Commission") and staff faces in getting useful cost information that could be shared in some manner with the industry, and applauds this initial attempt to provide publicly some industrywide estimates of the cost to implement the interim standard (J-STD-025) and the nine-item "punch list" additionally sought by the Department of Justice (DoJ) and the Federal Bureau of Investigation (FBI). But as the Commission noted in its Public Notice, differences in

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assumptions were used by vendors as well as varying elements included in price estimates. This renders the cost approximations useful in understanding the magnitude of costs but not the most inclusive or accurate financial picture that must be developed by the Commission to understand the true cost of implementing J-STD-025, much less the addition of any punch list item to meet the Commission's responsibility under the Communications Assistance for Law Enforcement Act (CALEA).

MCI WorldCom agrees with industry commenters that the cost estimates represent a floor, not a ceiling, of the expense faced by the industry: J-STD-025 implementation is estimated at \$916 million by only five manufacturers, of which the wireline industry is expected to shoulder \$569 million, the wireless industry \$348 million; punch list implementation is estimated at \$414 million more by the same handful of vendors; with \$180 million borne by wireline carriers, \$234 million by wireless participation.<sup>1</sup> With an approximate aggregate total price tag of \$1.33 billion for J-STD-025 and the punchlist implementation as estimated by only some of the vendors for only some of the costs, the Commission, DoJ/FBI and the industry must acknowledge that CALEA implementation will greatly exceed the \$500 million contemplated by Congress for CALEA compliance reimbursement. In addition, without final standards and requirements it is difficult to ascertain if the cost estimates provided will be accurate.

MCI WorldCom urges the Commission to discount as unfounded the Sprint PCS statement that "landline carrier implementation of the J-Standard/punch list should have

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<sup>1</sup> Public Notice, DA 99-863, CC Docket No. 97-213, released May 7, 1999; Comment Sought on CALEA Revenue Estimates of Five Manufacturers, Attachment.

little impact on the rates paid by landline customers.”<sup>2</sup> While Section 109(b)(2) of CALEA states that carriers with equipment “installed or deployed on or before January 1, 1995” have no obligation to modify their equipment unless the government agrees to pay for the modifications, many new competitive wireline carriers have installed switches after that date and face sizeable additional costs that may well be borne disproportionately by their small ratebase relative to the ratebases of wireless and incumbent wireline carriers.

Respectfully submitted,

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May 27, 1999

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<sup>2</sup> Comments of Sprint PCS, p. 5.

## **CERTIFICATE OF SERVICE**

I, Barbara Nowlin, do hereby certify that on this 27th day of May, 1999, copies of the foregoing Reply Comments of MCIWorldCom, Inc. were served on each of the following persons:

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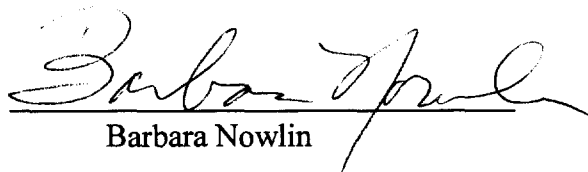
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